



## Alberta Minimum Wage to Lead the Country at \$15 Per Hour on October 1, 2018

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Effective October 1, 2018, Alberta's minimum wage will rise from \$13.65 to \$15 per hour, leading the country.

This policy decision is a continuation of the governing NDP's 2015 election campaign promise to provide low-income earners with a "living wage". In 2015, the NDP Government implemented a regulation that would raise the minimum wage annually in stages from \$10.20 per hour to \$15 per hour. The changes to the minimum wage have been part of a suite of pro-labour reforms brought in by the NDP since they took power in May 2015, including updates to the [Employment Standards Code and Labour Relations Code](#), and the [Workers' Compensation Act and Occupational Health and Safety Act](#).

Business groups and employers, including industry group Restaurants Canada, have criticized the wage hike by saying that it has led to businesses raising prices and shedding tens of thousands of jobs. The [City of Calgary's August 2018 labour market review](#) indicates that, while higher-wage sectors have made gains, the service-producing sector of the Calgary Economic Region (which includes municipalities surrounding Calgary) lost 21,100 employees between August 2017 and August 2018. In particular, 11,500 of those lost jobs came from the accommodation and food services sector. This period roughly tracks the last minimum wage hike that occurred on October 1, 2017.

By contrast to Alberta, the province with the next highest minimum wage rate is Ontario, at \$14 per hour. Ontario's rate was set to rise to \$15 per hour on January 1, 2019, however Doug Ford's recently elected PC Government scrapped plans to raise the minimum wage and has instead floated the idea of an income tax credit for minimum wage earners taking home less than \$28,000 annually. While the income tax credit will have less of an impact on the take home pay of minimum wage earners than a \$1 wage hike, employees may still be better off as employers would be less inclined to cut costs by scaling back employee hours or reducing their workforces.

The United Conservative Party, the Official Opposition in the Legislative Assembly of Alberta, may wish to closely follow the results of the Ontario income tax credit and consider a policy that reduces the minimum wage in exchange for a tax credit for minimum wage earners. The next provincial election is currently anticipated to take place between March 1 and May 31, 2019.

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